DOCUMENT RESUME

ED 361 905 EA 025 301

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TITLE Charter Schools: A New Breed of Public Schools.
INSTITUTION North Central Regional Educational Lab., Oak Brook, IL.
SPONS AGENCY Office of Educational Research and Improvement (ED), Washington, DC.
PUB DATE 93
CONTRACT RP91002007
NOTE 25p.
AVAILABLE FROM North Central Regional Educational Laboratory, 1900 Spring Road, Suite 300, Oak Brook, IL 60521-1480.
PUB TYPE Collected Works - Serials (022) -- Reports - Evaluative/Feasibility (142)
JOURNAL CIT Policy Briefs; n2 1993

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Accountability; *Educational Innovation; *Educational Policy; Elementary Secondary Education; *Nontraditional Education; Public Schools; *School Restructuring; State Action; *State Legislation
IDENTIFIERS *Charter Schools

ABSTRACT

This policy brief clarifies the definition of charter schools and explores their place in school restructuring and reform by describing existing charter schools in Minnesota and California, examining legislative and contract guidelines, and discussing the future possibilities of charter schools. Charter schools are sponsor-created and administered, outcome-based public schools that operate under a contract between the school and the local school board or the state. Proponents argue that charter schools can broaden quality choice within public education, reach dropouts, replace failing schools, deal with the next enrollment boomlet, and provide innovative learning; they also point out that these schools are flexible and appealing to legislators. Some educators express concerns that charter schools will break up teacher unions and the public education system, divert financial resources from existing schools, and lessen accountability. Overviews are presented of the City Academy in St. Paul, Minnesota; national trends; and legislative provisions in California, Minnesota, and Wisconsin. Highlights are offered from interviews with the cofounder of the St. Paul City Academy, a rural and an urban superintendent, and the governor of Wisconsin. Information is also provided on the North Central Regional Educational Laboratory's Regional Policy Information Center. (LMI)

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ED 361 905

Report 2, 1993

Policy Briefs

A Publication of the North Central Regional Educational Laboratory

Special Policy Report

Charter Schools

A New Breed of Public Schools

by R. Craig Sautter, School of New Learning, De Paul University

Editor's Note: *In response to increasing regional and national demands for information about Charter Schools, we have developed this special issue of* ***Policy Briefs.*** *The term "Charter School" currently describes an assortment of school organizations. It has become evident that there are many differing opinions and strong feelings about Charter Schools. This* ***Policy Briefs*** *attempts to clarify the definition of Charter Schools and to explore their place in school restructuring and reform efforts by describing existing Charter Schools in Minnesota and California, examining legislative and contract guidelines, and discussing future possibilities of Charter Schools.*

During the writing of this report, state legislation about Charter Schools was changing rapidly. A number of states were considering or passing Charter School legislation. Aware of these ongoing changes, NCREL made every attempt to make the contents of this ***Policy Briefs*** *as accurate and up to date as possible. This* ***Policy Briefs*** *is not intended to be an exhaustive report or an evaluation of the charter concept. We will leave those tasks for future writers to undertake as Charter Schools mature.*

The author is R. Craig Sautter of the School of New Learning, De Paul University, who conducted interviews and research. Genevieve Sedlack of NCREL provided extensive copy editing and additional research. External reviewers checked the text for accuracy and clarity, and NCREL thanks them for their time and effort.

Policy Briefs are reports on the status of current issues in education from a national perspective, descriptions of actions and agendas in the NCREL region, commentaries by experts from their particular point of view, and resources for further information.

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Overview

When the City Academy in St. Paul opened its doors to 35 inner-city high school "dropouts" in September 1992, the Minnesota school became the nation's first legislatively authorized "Charter School."

Charter Schools are sponsor-created and administered, outcome-based public schools that operate under a contract between the school and the local school board or the state. To establish a Charter School, certified (in Ohio's case, certificated) teachers and/or other individuals or organizations, such as colleges, cultural institutions, government bodies, or parents, draw up plans for an innovative, outcome-based* school. (Minnesota's 1993 charter legislation allows for sponsors other than teachers.)

"One of the keys to our early success is our size." Milo C. Cutter

Originally, Minnesota granted "charters" to new schools if the plans were approved by a designated sponsor, such as a city council, county commission, or university board of regents. As of 1993, local school boards have the authority to approve charters. If a local school board declines to approve a charter, the school may appeal to the state board of education if at least two school board members support the charter. The state board then may authorize—and therefore sponsor—the school. The renewable charters are in effect for three to five years, and the schools are held accountable for achieving their designated outcomes* during this time period. The sponsor and the state monitor the process.

Charter Schools are exempt from most state and local laws and regulations, but to gain charter renewal the schools must prove that their students have gained the educational skills that the school and its sponsor specified in the initial contract.

The Nation's First Charter School

With the blessing of St. Paul's mayor and city school system, parents, and private donors, City Academy set up folding tables and chairs in a recreational center on St. Paul's East Side, and began offering intensive, year-round classes in standard high school subjects ranging from English to physics. Most of the students were minority males who had permanently left the traditional school system.

In that part of the city, as many as 40 percent of the urban youth are unemployed and out of school. City Academy is exploring new ways to retrieve, support, and educate a portion of the students who are considered the hardest to reach and teach.

City Academy's teachers want to help students learn foundation skills and to guide them through traditional subjects such as algebra and composition so that the students are prepared for advanced study. Toward this end, City Academy teachers improvise an interdisciplinary approach within the standard academic divisions and use multiculturally sensitive texts.

City Academy's innovation lies in its approach. The Charter School reaches youngsters through personal appeals and individual attention in a small, intimate setting. This strategy is reinforced through each student's interaction with a student support group at the school.

"One of the keys to our early success is our size," says Milo J. Cutter, a City Academy founding teacher. "We are small enough to give these students the attention they need and deserve. It makes a big difference." *(see Reflections on Nation's First Charter School)*

Early Progress

The students at the St. Paul City Academy are actively involved in setting school rules and running the program. Many of the students even assisted in the design of City Academy's charter plans and application. Since City Academy opened in the fall, every one of the former "dropouts" has made academic progress.

**(Note: Ohio does not use the term outcome-based, but prefers performance-based.)*

All of the students have elevated their sights toward postsecondary education after City Academy. The small Charter School and its teachers have rekindled academic and personal ambitions; several of the former "at-risk" students are already taking part-time college courses through the Minnesota Postsecondary Education Option Program while they complete their high school diplomas at City Academy. City Academy has given students both the skills and the confidence to succeed.

From a founding teacher's perspective, Charter Schools deliver several benefits. "Besides having the chance to create a school that takes into account the approaches we know will work," Cutter says, "the biggest benefit is that we are held accountable. For us, accountability is a daily concern. We listen to what the students want and need, because we ask them. And each day we ask ourselves if we are doing things the best way we can.

"We also have the flexibility to respond," she adds. "We can change the curriculum to meet these needs as soon as we see them. Anywhere else it would take a year to change. It is much better than anything we have known in the traditional setting."

Reform Impact

The concept of Charter Schools may be one of the most powerful and promising to emerge from the school reform movement of the past decade, and the lessons learned by City Academy should prove valuable for redefining educational roles and stimulating change in other public schools. Charter Schools provide a real mechanism for change by creating new kinds of schools within the public domain. With Charter Schools, policymakers trade regulations and direct administrative control for genuine innovation and measurable results as outlined in the charter contract. As one of the legislative authors, Minnesota state Representative Becky Kelso expresses it, "The gift of Charter Schools is the gift of freedom."

If student outcomes are not satisfactory to the sponsor that granted the original charter, the charter need not be renewed. A new plan and a new charter can be granted by the board to a new group of sponsors. Accountability is a central issue.

"The Charter School idea offers a way to broaden quality choice within public education," says Ted Kolderie, senior associate at the Center for Policy Studies in Minneapolis. "It offers a middle way between traditional public education and the 'choice' proposals that use vouchers for private education."

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Some public education veterans agree. "Public schooling should not be the exclusive domain of school districts," argues Carlos M. Medina, the former New York City School District #4 superintendent who helped establish innovative schools such as Central Park East. "There are many institutions within school district communities that can educationally serve children well," says Medina, who is now a senior fellow at the Manhattan Institute's Center for Educational Innovation, where he helps develop new kinds of public schools. "Community institutions like schools of education and museums and others should be given an opportunity to be part of the school community."

"Charter Schools are a small piece of the reform strategies we are using in Minnesota—not a cure-all," notes Gene Mammenga, Minnesota Commissioner of Education. "If charters divert our attention and reformers believe that they don't have to devote as much energy to systemic change in the public schools, then they will not have served a good purpose."

It is unlikely that every student who attends a Charter School over the next decade will aspire to college or trade school, or even successfully graduate with the skills that he or she needs to survive in today's hyper-competitive economy, where knowledge and skills are key to social autonomy or financial prosperity. And over the next few years, some Charter Schools may utterly fail at the innovations they try to introduce. Personalities, financial strains, and social forces could intervene to blur the goal of a better education for all charter students. However,

with renewable charters, the schools that do not meet their goals can be replaced by other charters that have learned from past mistakes.

Support for Charters

Leading National Government Officials

In addition to state-level interest, Charter Schools are gaining the attention and support of the nation's leading government officials. Both President Clinton and Secretary of Education Richard Riley advocate public Charter Schools. Additionally, in 1992 Senators David Durenberger (R-Minn) and Joseph Lieberman (D-Conn) introduced bipartisan congressional legislation to help fund Charter School start-ups. The legislation, along with the entire school reform package, was overshadowed by the Presidential election and died in Congress in 1992.

Durenberger and Lieberman have reintroduced Charter School legislation to the 103rd Congress as the Public School Redefinition Act.** House sponsors of the bill include Representatives Dave McCurdy (D-Okla),

An Urban Superintendent Speaks on Charter Schools

Howard L. Fuller, Superintendent, Milwaukee Public Schools

Based on an interview by R. Craig Sautter

Milwaukee's superintendent is known as an innovator in touch with his urban school system. He has been an active proponent of Charter Schools, but has waited for the Wisconsin legislature to take action before granting any charters to schools in his district.

"Last year, the Milwaukee Board of School Directors took an official position supporting Charter Schools," Fuller says. "We put it in the legislative package that we took to the state last year because we felt that we needed statutory authority to develop Charter Schools. This year, the governor has included a provision for Charter Schools in his budget and we support his effort.

"I believe that Charter Schools give us a way to be innovative within the public school rubric. They give us a way to move forward on a new notion of a system of public schools. I think it is an innovation worth trying.

"Charters would present a wide variety of opportunities. My hope is that teachers, community groups, and other sponsors would help develop Charter Schools in Milwaukee. I visualize teachers coming forward with some new ideas and approaches. I visualize the possibility of Charter Schools-within-schools. Charter Schools are another way to create models out here that will work for the benefit of the kids.

"Charters give teachers an opportunity to create new models without being bogged down by some of the restraints that are already in existence. While people in the current schools are trying to be innovative, they keep running into barriers. Some are contractual. Some are state mandates. Some are board policies and procedures.

"Superintendents have some authority to move these barriers, but not nearly the authority that people believe we have on the playing field on which we are operating.

"The issue is how much flexibility will teachers have. To me, anything that we can put into motion to provide more flexibility, so different models are created that benefit kids, is worth pursuing.

"I think that, ultimately, those of us who work in public school systems had better get the message that because we exist today doesn't mean we will exist tomorrow.

"To sum up, the value of Charter Schools is that it allows for innovation within the control of the elected public school board. If people believe in public schools and they want to maintain a public school system, then they better understand that the old ways of doing things are not enough."

** *The bill went to the House floor in July.*

Tom Petri (R-Wis), Tim Penny (D-Minn), and Tom Ridge (R-Pa). Major provisions of the bill include the following:

- States that have charters may receive grants to help finance start-up costs for new charter schools.
- Grants can be used for planning, equipment, and other start-up costs, including minor building renovation to meet local health and safety requirements, but not for major renovation.
- Grants may last up to three years.
- Schools must provide a 10-percent match for the grant in the first year and a 25-percent match in both the second and third years.
- States must have the power to revoke grants from schools that are not making adequate progress toward meeting outcomes.
- The Public School Redefinition Act would seek $50 million for fiscal year 1994 and $75 million for FY 1995, and "such sums as may be necessary" in succeeding years.

In 1993, Congress considers the comprehensive Reauthorization of the Elementary and Secondary Education Act and the Public School Redefinition Act, which is folded into it. Establishing Charter Schools was explicitly included as one permissible use of funds proposed for state reform efforts in Clinton's **Goals 2000: Educate America Act**, submitted to Congress in spring 1993 with the statement that a state may use funds toward "promoting public magnet schools, public 'Charter Schools,' and other mechanisms for increasing choice among public schools."

Reform Advocates

"Charter Schools represent a very appealing idea for legislators," asserts Kolderie, an early charter advocate. "Legislators are frustrated about the difficulty of getting change or improvement in public schools. They don't know how to get change in a system that they don't own and control. They basically buy education from these districts. They set certain specifications and provide money and, in effect, have a contract with the district to do this job on behalf of the state and its constitutional responsibility.

"But it doesn't happen to the state's satisfaction and state people don't know what to do about it. When they put out more money, it is taken up. But not much changes. Getting angry—giving orders—doesn't work either.

"The object of Charter Schools is not just to create a few good new schools," Kolderie insists. "The object is to improve all schools. Districts do not want to lose kids and the money that comes with them. They will make improvements themselves to attract kids back from Charter Schools, or they may make improvements before a charter even appears." Ted Kolderie

"The states have always been told that the only choice they have is between sending checks to superintendents and giving vouchers to parents. All of a sudden they discover that is not true. It is possible to have very different schools still within the principles of public education. This has been a real liberating idea for them. All it takes is to say it is O.K. for someone else to offer public education in the community."

Although the concept is evolving, Charter Schools also hold potential for unleashing teacher creativity and yielding new ideas about how to restructure the educational experience of elementary and secondary students. Within a decade, literally hundreds of Charter Schools could offer public education new approaches to teaching and learning.

The work of these Charter Schools is certain to influence the next phase of education reform and school restructuring as educators try to redefine the American public school for the next century by giving other public schools real incentive to improve.

"The object of Charter Schools is not just to create a few good new schools," Kolderie insists. "The object is to improve all schools. Districts do not want to lose kids and the money that comes with them. They will make improvements themselves to attract kids back from Charter Schools, or they may make improvements before a charter even appears."

Charter School Possibilities

During the next decade, Charter Schools could be established to promote a number of important educational goals, including increased access to innovative programs for traditionally underserved students, improved quality, and significant classroom restructuring. Here are a few other possibilities:

- **Reaching dropouts.** Following the City Academy example, whole school districts or independent Charter Schools could establish small learning centers with intensive teacher/student interaction as a way to bring back students who have walked away from traditional classrooms.

During the next decade, Charter Schools could be established to promote a number of important educational goals, including increased access to innovative programs for traditionally underserved students, improved quality, and significant classroom restructuring.

- **Replacing failing schools.** Policymakers could aggressively use Charter Schools to replace decimated and low-performing schools. The state could shut down failing and mediocre schools and take bids from groups of teachers, parents, public institutions like museums, or other educational entrepreneurs. They could then open one public Charter School with tough new standards of quality for every public school they close. Some states already put their worst performing schools and/or districts on probationary lists (e.g., Iowa puts the district on probation); the next step is often the threat of a state takeover. (Actually, states seldom have taken over failing schools or districts, because most states do not have the time, staff, or resources to do so, but some states are considering the idea.)
- **Dealing with the next boomlet.** Between 1993 and 2003, total elementary school enrollment is predicted to rise by 12 percent, to 38.5 million students. (Projection of Education Statistic to 1993, DOE) Secondary school enrollment could increase by 25 percent, to 15.7 million students by 2003. Instead of developing more of the same old kinds of schools, we can use this enrollment bubble as a perfect opportunity to introduce hundreds of Charter Schools into the public system mix—and Charter Schools could prove far less expensive than current schools.
- **Innovating learning.** Charter Schools offer a controlled testing ground for developing a new kind of public school for the new century and introducing new educational models and options for educators. They may provide electronic learning rooms or small learning clusters spread across distances and electronically linked into homes and the world. They may prepare students for a multilingual society, incorporate internships and apprenticeships, overcome the problems of resource depletion and rural isolation or urban decay, or spawn a new literacy and new pride in learning. We don't know yet. But Charter Schools can test these and other alternative learning suggestions in real world situations.
- **Solving problems flexibly.** Because they are adaptable and most often small, Charter Schools can be designed specifically to address any of the problems that diminish student success. For example:
  - **Reading academies.** Reading academies could address problems such as "the fourth grade reading slump" to make sure students gain the skills they need at this critical time to progress in school. Likewise, charter teachers might create reading academies for high school students to increase their exposure to the variety of American and world literature and to challenge them to become critical readers instead of minimal performers who are overwhelmed if they go on to college. Charter high school reading academies might be well-suited to either high- or low-achievers who take a year to explore as many books as they can.
  - **Parent learning partners.** Research shows that parental involvement is a key to learning. A new Charter School might bring

parents into the classroom every day to work with their young children from the beginning of the child's school experience. Parents who want to spend more time with their young children might become their permanent teachers and co-learners in the years ahead.

- **Corporate towers and city hall.** Instead of simply participating in an "Adopt-A-School" program, businesses could house small charters in their corporate towers and develop real-life apprenticeships with their workers during part of the day. City Hall might have a few meeting rooms for a junior year civics courses as part of the Charter School program, where students follow city legislation and explore how government agencies work.

Educators have scores of good ideas that can now be tested in small charter environments. Charter Schools, with their small sizes and flexibility, hold many possibilities for future schools. Public schools will be able to chose from the best methods. Charter Schools' success may prove to be limited only by the creators' ingenuity and willingness to change and restructure our "traditional" schools.

Pressure for Change

In the past, it has taken as long as 27 years—a whole generation of teachers—for some major teaching innovations to take hold in the current system of U.S. classrooms. However, at this point, the public has invested in reform for a decade. Citizens want to see improved schools, and pressures are building to accelerate education reform or abandon it altogether. Letting "somebody else" offer public education through Charter Schools could accelerate that rate of change and have enormous impact on how all schools operate. How charters are used in the future, however, may depend upon their success in states where they are first being tested. A closer look at these states may provide clues for the future of Charter Schools.

Minnesota's Legislation

City Academy came into existence as a result of Minnesota's historic 1991 Charter School legislation, the first in the nation. The pioneering charter law called for up to eight teacher-created and -operated, outcome-based Charter Schools across the state that would be free of most state laws and state and local education rules. Renewable Minnesota charters would be granted for three years.

In 1993, new Minnesota charter legislation authorized existing public schools to become charters if 90 percent of a school's teachers supported the action. A 1993 amendment now allows the state board to approve Charter Schools without local board approval in some situations.

Choice Context

The idea of Charter Schools arose, in part, out of the statewide debate over school choice. Between 1985 and 1988, Minnesota began to enhance its reputation as an educational innovator when it became the first state to pass statewide public school choice legislation. Minnesota legislators hoped that Charter Schools would expand the number of real educational choices available to students and their parents. Charter Schools were intended to complement Minnesota's parental choice system to create a choice option not dependent on vouchers.

In spring 1993, Minnesota Governor Carlson sent legislators a letter urging them to "take the cap off" charter schools and authorize an unrestricted number. The legislature expanded the number of available statewide charters from 8 to 20. With this limit, the choice options still will not directly affect the vast majority of Minnesota students, but the legislation has opened the way for a school board on its own initiative to convert an existing school from administered to charter status.

Minnesota's First Charter Schools

By spring 1993, more than 20 Minnesota Charter School proposals had been designed by groups of teachers and their supporters. The first 8 slots allowed by law were approved by local school boards and the state board of education. Following are the Charter Schools other than City Academy.

Reflections on the Nation's First Charter School

St. Paul City Academy, the nation's first charter school, is making a big impression for such a small school. With just 35 students, the school still finds itself in the national spotlight in the debate over Charter Schools.

Milo Cutter, who teaches English and social studies, cofounded City Academy with teacher Terry Kraabel. "I was educated as a teacher," says Cutter. "But most of my working years were spent in the business world. I returned to teaching four years ago, first in Puerto Rico and then in a St. Paul alternative school with Hispanic students who were not well served by the traditional classroom.

"After years of experience in a system that was substantially different from the structure of schools, I was intrigued by Minnesota's new Charter School law, which gave teachers a chance to create different kinds of schools.

"It became apparent to us that some other alternative should be explored," Cutter recalls. "We wanted to create something with a traditional curriculum, but not traditional delivery system and definitely not a large setting.

"The charter legislation seemed to suit the needs of these students and gave us a real opportunity to create a program specifically for them. So we proposed a Charter School aimed at unenrolled youth ages 16 to 21. We got the support of the city and the mayor as well as private industry and tried to pull in all the concerned people."

City Academy is very small, with four full-time teachers, a full-time clerical aide, one part-time teacher/aide, and a part-time psychologist. The Academy's 35 students represent a mix of African-Americans, Hispanic-Americans, American Indians, and European-Americans. Most students are male, though the Academy is seeking more women. Many of its students haven't been in school for quite a while. All have experienced frustration with other systems, even though several are only a few credits short of graduation.

"Many of these young people feel alienated much of the time," notes Cutter. "But they are regular teenagers who simply seem to have stronger feelings. It is potential to be tapped. That has worked against them in other education circumstances. One of the things I like about our students is that they are not quiet. They are very active. They have very strong opinions. Their sense of what is fair and what is good is very clear, so that is good for us.

"There is a dramatic range of student abilities from second grade to college level," Cutter observes. "But I am amazed that students, whom some call elementary readers, when given encouragement from other students, do an excellent job. What they are willing to do is a whole lot better than where they tested in the past.

"We are learning a lot just watching how the students respond," Cutter says. "Because this is our first year, we are still experimenting. In our charter application, we outlined general curriculum we planned to use. But students helped develop our specific curriculum and the atmosphere for learning. They articulate the kinds of things in, say, consumer law that they want to learn. It is an exciting experience."

- **The Bluffview Montessori School** (Winona) for K-6 students was the first school to receive charter approval. It was a private school for three years before converting to a public Charter School, and its application caused considerable controversy. Parents tried to convince the school system several years ago to have a Montessori option as in Minneapolis and St. Paul, but the Winona district wasn't interested. (In California, private schools are prohibited from converting to public charters.) It opened in spring 1993.
- **Metro Deaf School** (Wyoming) will allow students to learn in American Sign Language with English as a second language. The school also will offer families courses in deaf language, culture, and history. It is planning to open in fall 1993.
- **New Heights Schools, Inc.** (suburban Stillwater area) for "at-risk" pre-K-12

students will include a strong parent component of daily home lessons developed by parents and teachers. Teachers will be paid based on merit. It will open in fall 1993.

- **The Skills of Tomorrow** Charter High School (Minneapolis) will concentrate on vocational/technical skills applied in the context of business and industry apprenticeships. The school has the backing of the Teamsters Service Bureau and will open in fall 1993.
- **St. Paul Community School**—its temporary name—will serve students in grades 1-12 with a holistic approach to learning. Students will help design their own courses of study and use the community as a classroom. The school will open in fall 1993.
- **The Toivola-Meadowlands School** (rural northeastern Minnesota) is designed to serve K-12 students, with a multi-age, multi-activity program focused on environmental themes. It is an existing school that will convert to charter status in fall 1993.
- **West Bank Community School** (Minneapolis) will be a K-8 school with a parent-friendly environment. It will affirm the values of its multi-ethnic and cultural community and draw upon community members' skills and knowledge, as well as the resources of two local universities, to enhance the students' educational experiences. It seeks to hire teachers who agree to live in the neighborhood. The school is scheduled to open in fall 1993.

"The people who come together to form a charter are extremely committed," says Peggy O. Hunter, Enrollment Options Coordinator for the Minnesota Department of Education and Director of the state charter program. "They have overcome many barriers and have been very persistent and resourceful. Some have remained part of a Charter School network even after their charter requests were turned down by the local school board. They show commitment and tenacity for improving the learning environment for learners. They have an incredible excitement about learning and are so student-centered. It is wonderful to work with people who are determined to improve the education opportunities for children."

Initial Problems

One of the legislative purposes of charters is to stimulate competition between public charter and traditional schools. Critics charge that several strong charter proposals were denied by local Minnesota school boards who hold the power to block charters and reputedly feared this competition.

"The people who come together to form a charter are extremely committed."
Peggy O. Hunter

Local boards may block new charters because they do not want state funds to be diverted from their existing public schools on an average daily per pupil basis to the Charter Schools. In these cases, school boards can vote to block the new charters. In one case, the state board of education denied a charter request by a group of rural parents and teachers who were trying to save their small school from closing.

"The school boards are not really ready to let go of mainstream kids they want to keep," explains Kolderie, "so they tend to kill proposals for Charter Schools that move toward mainstream kids. However the boards are not reluctant to let others try with kids with whom they haven't succeeded."

Minnesota legislators want a variety of Charter School models that will influence change in existing public schools. But the majority of the first wave of Minnesota charters went to schools that, like City Academy, want to educate children and teens who have not been well-served by traditional programs. Approximately half of the original charter proposals were targeted toward these youngsters.

Charter Issues, Charter Interest

Some of the characteristics of the Charter School idea are now being extended to other schools. In spring 1993, the Minnesota state board of education and the state legislature decided to free an entire school district that applies for waivers from all but the most basic state regulations. The waivers are from state board rules—not state or federal law; therefore, health, safety, civil rights, and special education regulations

have not been waived. The state board can revoke the waivers at any time. Districts can take actions such as altering class sizes, the school day, and teacher work rules. The state board actually has been waiving rules for several years, but more schools and districts are beginning to ask for waivers.

One district experimenting with this new freedom is North Branch, approximately 40 miles north of Minneapolis-St. Paul. After petitioning for waivers in response to the Charter School legislation, the district was granted three-year waivers to prompt innovation. The school district argued that it could compete with any Charter School, but needed a level playing field. Other districts are watching the results closely.

Some Minnesota legislators want to find additional ways to authorize charters so that local school boards cannot block innovation. In states that are considering charter legislation, central issues of debate include the number of charters that should be granted, types of charter sponsorships, and appeal processes for blocked or rejected charters.

Two additional changes have been made in Minnesota with the 1993 amendment:

- If an application is rejected by a school board but does have two votes of the school board, the applicants can appeal to the state board. If the state board approves, it sponsors the school.
- A Charter School may not be a means to keep open a school that would otherwise be closed.

California's Charter Law

As early as 1983, the California legislature mandated higher standards, revamped curriculum frameworks, lengthened the school day and year, established mentor teacher programs, improved textbooks, and set up teacher accountability systems. In recent years, the state also has passed laws to create more school-based management systems and teacher career opportunities and to promote school restructuring.

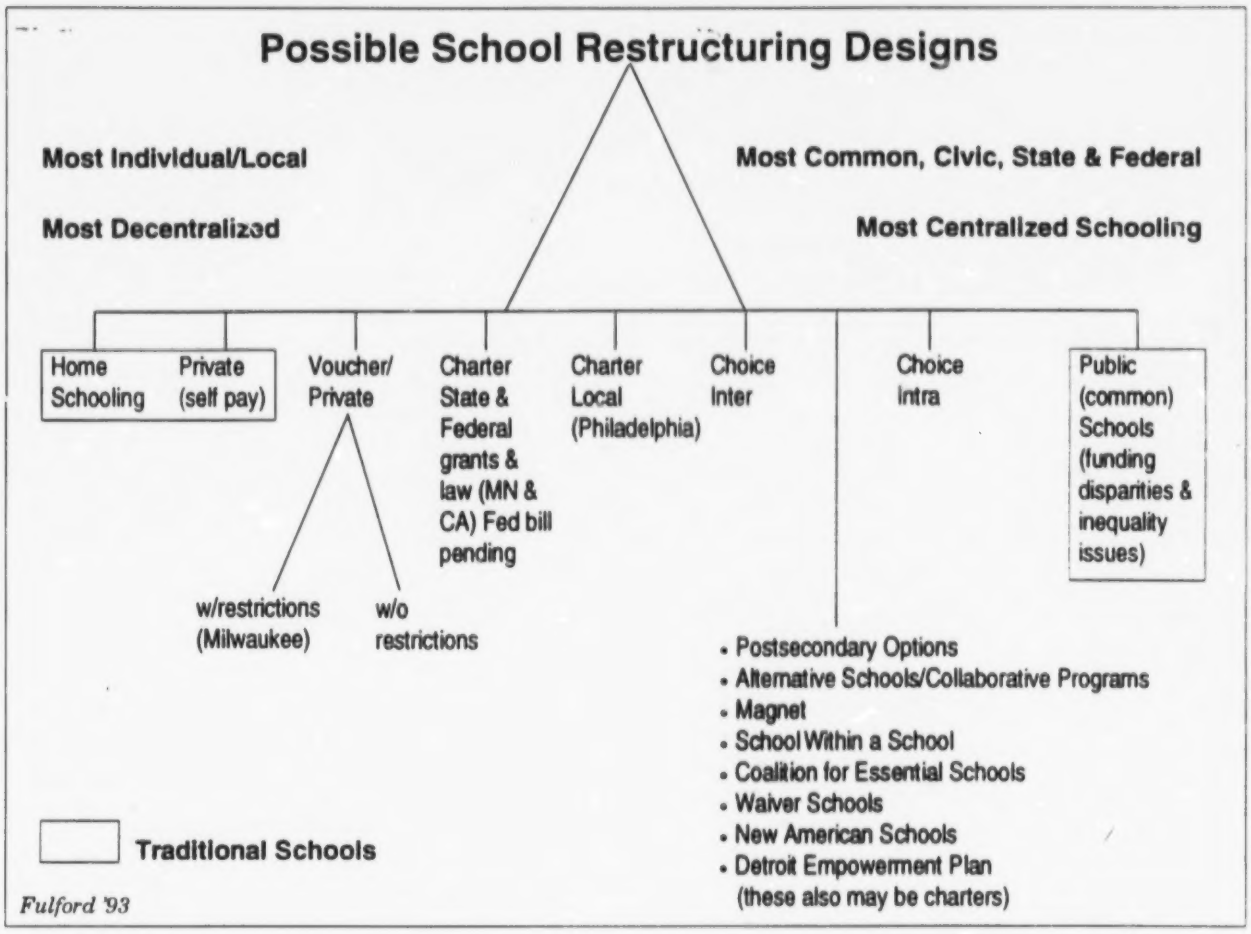
Yet, legislators and educators were dissatisfied with student learning progress resulting from these changes. The charter originally was proposed in 1987-88 by California public school educators frustrated by bureaucracy and eager to have real freedom with accountability. A year after Minnesota enacted its charter law, California passed legislation authorizing up to 100 Charter Schools beginning in 1993.

California's charter law seeks to:

- improve student learning
- increase learning opportunities for all students, particularly for academically low-achieving students
- encourage the use of different and innovative teaching methods
- increase professional opportunities for teachers
- provide students and families with expanded educational choices
- hold schools accountable for meeting measurable outcomes
- shift from a rule-based to a performance-based system of accountability

Minnesota now allows persons other than teachers to form and operate an outcome-based Charter School. But teachers still must make up the majority of the school's board of directors.

However, a referendum on tax-financed vouchers that will be on California's general election ballot in November is threatening the future of California's Charter Schools. The referendum would allow parents to pay for private schooling with vouchers. If the referendum passes, it may make the current California law on charters obsolete, according to Les Martisko, Executive Director of the South Central Education Cooperative Service Unit (SC/ECSU) in North Mankato, Minnesota. A July 8 article from the "Report on Education of the Disadvantaged" also notes that the National Education Association (NEA), which opposes vouchers on the basis that they would prompt the removal of the most advantaged pupils from public schools and isolate at-risk students, is spending $1 million to battle the voucher referendum in California.



New and Converted Charters

In some cases, California Charter Schools might be entirely new schools, but the legislature tends to assume that they will be converted from current public schools, based on an approved plan of significant change.

Minnesota now allows persons other than teachers to form and operate an outcome-based Charter School. But teachers still must make up the majority of the school's board of directors. Teachers can form a cooperative that negotiates a contract with the Charter School to provide instruction. California law allows other responsible groups such as parents, business and community leaders to organize a school, but at least 50 percent of teachers in a school must sign a petition to charter before a school can be considered for charter conversion.

Renewable California charters are granted for five-year periods, and the charter can be revoked by the local board if a school does not live up to its agreement. The Charter Schools do not become legally independent school districts as in Minnesota. They are, however, relieved of local rules and regulations, and entire school districts in California can petition to become charter districts.

The California State Board of Education, unlike the state board in Minnesota, cannot veto a charter proposal that gains local approval. The state simply publicizes the charter initiative and keeps track of charter applications, giving each a number and cutting off applications after 100 have received local approval (10 within a single district). The responsibility for quality control rests at the local level. California law also allows the sponsor of a proposal that is denied at the local level to appeal to the county board of education.

"This is the most important education reform measure to be enacted in recent years," says California State Senator Gary K. Hart (D-Santa Barbara), the law's chief sponsor. "It will give our educators a real opportunity for innovation by allowing them to create new public schools which focus on student outcomes without compromising the integrity of the public education system."

However, only a few of the first California charter applications to the state demonstrated much innovation, perhaps because some were "placeholder" applications. Potential charter teachers and local school districts put in quick applications so that they could be among the first 100, and are spending a year working out their plans. It is expected that at least four California Charter Schools will open in 1993.

California Models

Here is a glance at some early charter plans submitted to the state:

- **The San Carlos School District** was the first to register a Charter School with the state. It proposes to create the San Carlos Community School, a small K-8 charter where schooling is "viewed as one aspect of education, the entire community serves as the campus, and the school acts as a headquarters." The school will open in the fall of 1994.
- **The Bennett Valley Charter School** will educate K-6 students through home-based independent learning programs, cooperative schools, and supplemental learning projects.
- **Cotati-Rohnert Park Unified School District** plans to create a new school for grades 6 through 12 to develop skills and proficiencies in general education, computer literacy, physical education, community service, global awareness, environmental awareness, citizenship, daily survival, and the workplace. The school will take a thematic, project-oriented approach, which will make use of cross-grade level and cross-generational tutoring, apprenticeship programs, and programs coordinated with local institutions of higher education and business. Classes will be conducted four days a week, with a fifth day devoted to tutorials, parent conferences, workshops, and teacher planning. Parental involvement will be required. The school will open in spring 1994.
- **The El Dorado Charter Community School** in Placerville will be a converted school with a "Differentiated Educational Plan" for each student, and project-oriented, technology-based learning. The Charter School will be aimed at students who are not successful in traditional education environments. It will open in September 1993.

Radical Deregulation

California's charter legislation already has bipartisan support, but Pete Wilson, the state's Republican governor who signed the law, doesn't want to stop at 100 Charter Schools. He would like to see all of the state's public schools converted to outcome-based Charter Schools.

According to Governor Wilson (January 1993, "California Reports" speech), "There are a lot of rules we need to change, because to fix our schools, we must free our schools .... We want to free imaginative and dedicated educators to provide a charter for an individual school unfettered by the more than 7,000 pages of code requirements.

"Last year, I signed legislation creating up to 100 such Charter Schools," the governor explained. "This year, I propose we expand that program to move from Charter Schools to charter districts. And if charter districts succeed, let California become a charter state and again lead the nation in reform and innovation."

Given the turmoil in California schools resulting from a decade of budget problems, more legislators could find themselves voting for the Governor's plan. But for now, most California legislators simply want to know how well the first group of Charter Schools work and what new models and suggestions they offer for school restructuring.

Correction

In the last *Policy Briefs*, "Decentralization: Why, How, and Toward What Ends?," the information on the Akron, Ohio, public schools should read "... our district has applied for three waivers from the State Department and has been granted one." This correction was submitted by Dr. Terry B. Grier, Akron Superintendent of Schools.

Trading Flexibility for Outcomes

"For California, the essence of Charter Schools is the notion of trading flexibility for accountability," observes Merrill Vargo, director of regional programs and special projects at the California Department of Education. "We are not cutting schools free and saying, 'Anything goes, here's a check from the state and good luck.' The idea is to free schools from some of the regulations, especially those that focus on process and procedure, and instead hold schools accountable for outcomes.

"Charter Schools will have to meet ambitious goals of student learning," she continues. "We hope that schools will find a way to do that. We also want to find a way to hold schools accountable for outcomes. If we can't, then we really need to live with the rules and tune them up. The California experiment is about shifting from a rule-based to an outcome-based accountability system."

Cautions and Concerns about Charter Schools

Charter Schools are not without their critics or cautionary arguments. Policymakers need to be sensitive to these often legitimate fears when they craft legislation or act on a charter request.

Albert Shanker, president of the American Federation of Teachers (AFT), was an early proponent in 1988 of the concept of charter schools:

> Districts could create joint school board-union panels that would review preliminary proposals and help find seed money for the teachers to develop final proposals. The panels would then issue charters to these groups and commit themselves to trying to waive for the charter schools certain regulations that legitimately stand in the way of implementing their proposal, if the faculty so argue. The faculty also would be allocated their share of the per pupil budget spent in other schools, as well as the space and resources they might ordinarily have. All of this would be voluntary. No teacher would have to participate, and parents would choose whether or not to send their children to a charter school.

Since then, numerous teachers' union members and their leaders have supported the charter concept or helped create charters, but their support often is restricted by questions about the definition of Charter Schools, which schools are involved, and regulations.

Charter Schools are not without their critics or cautionary arguments. Policy-makers need to be sensitive to these often legitimate fears when they craft legislation or act on a charter request.

Many teachers' unions at state and national levels also fear that Charter Schools are just another covert attempt by enemies of public education to break up a system that is still the best in the world at educating students of diverse backgrounds and multiple needs. (This concern was noted earlier in the NEA's opposition to California's proposed voucher legislation).

The unions wonder whether the benefits of Charter Schools have been over-promised. And while some Minnesota Education Association (MEA) members have sponsored Charter School proposals, Robert E. Astrup, president of the MEA, warns that Charter Schools "may turn out to be the biggest boondoggle since New Coke."

Both NEA and AFT worry that charters will be used to reverse years of hard-earned gains for the millions of students and teachers who benefit from the tradition of universal public education. "Charters could be used as a tool to try to bust teacher unions," says Janet Bass, an American Federation of Teachers spokesperson who notes that the union's position on Charter Schools is still evolving.

Although charters promise certain forms of teacher empowerment, they also could lead to greater teacher impoverishment. Charter teacher salaries and benefits are not bound by previous collective bargaining agreements. Unions caution policymakers to resist any effort to make Charter Schools part of a tactic to reduce teacher pay to save money. Given the relative inequity that already exists between teacher pay and that of other professions, that scheme can only have negative long-term educational consequences.

A Rural Superintendent Speaks on Charter Schools

Daniel E. Mobilia, Superintendent, District 2142, St. Louis County, Minnesota

Based on an interview by R. Craig Sautter

Mobilia has been superintendent of District 2142, St. Louis County Schools, for six years, where his main priority is keeping the rural schools within his district, which covers almost 5,000 square miles, operational and competitive.

"We have a rural K-12 high school in our district that declined in enrollment to the point that it became difficult to provide financial or academic services for the kids. So we decided to close it. This school only has 160 students with a graduating class of about 10 kids. As with the closing of any school, but particularly a high school, people were very upset. However, the new Charter School legislation gave them an option to try to run the school themselves.

"The advantage, of course, is that as a Charter School they are exempt from the majority of the rules that our district has to follow, other than fire, safety, and health issues. Thus, they can pursue different types of organizational options.

"For example, the state mandates the type of curriculum public high schools must follow, including foreign language and elective components. For a small rural school, it is very difficult to meet those criteria.

"Another example is the certification of teachers. Our district is required to have certified teachers. Charter Schools are exempt from this as well. Nor is the Charter School required to have a principal. So they have a lot of leeway that public schools don't have. Given these exemptions, I agreed that maybe they could make a go of the Charter School, where we couldn't make it go as a traditional public school.

"Right now it is impossible to say if this is a good thing or not, because we simply don't know yet. The Toivola-Meadowlands Charter School is only now in the process of hiring their teachers. The core group is made up of parents and community leaders. I do not see much innovation about the school. They basically adopted the outcomes we have for our school system.

"The law allows teachers employed by the district to gain a leave of absence if they want to teach in the Charter School. But not one of my teachers chose to participate. They would have to take a cut in pay, and why would they do that? And many of them see nonprofessionals making key decisions that should be made by professionals. They feel that it is more like a private school than a public school. Many feel that this is just another step toward privatizing public education. I don't know if that is true or not. How can you project at this point?

"To me, Charter Schools are like the choice option. These are gimmicks that are trying to fix the system of public education without getting at the core problems, which are societal problems. Adding a few Charter Schools is not going to fix public education.

"The biggest plus in the case of Toivola-Meadowlands Charter School is that it has mobilized a community that was very complacent and had allowed their school system to erode. This brought them together and they worked very, very hard to save their school. It was very healthy in that sense because it brought their community together. The old saying used by our Governor, 'It takes a whole community to educate a child,' is happening there in this case.

"On the other side of the coin, I see a Charter School being developed in an area that is very economically depressed. It will be very difficult to maintain enrollment. I see some hard times ahead for them."

Astrup also argues that a decade of school reform has already generated plenty of innovations that will eventually reach most students and teachers. He says that schools are changing and need more financial aid, not a fancy program that diverts money from under-funded schools and personnel. "Charter Schools drain state resources and attempt to duplicate the efforts that are currently under way in many existing districts," Astrup warns.

What would be the result if a state like California turned all of its schools into charters? Such a move would represent an instant and radical deregulation that could work against state efforts to improve schools in other ways. Complete deregulation could mark a loss of state accountability and could trap individual schools in funding inequities that deprive many poorer children of their educational right to equal access to quality learning.

Are charters on the leading edge of a back to greater local control movement? Can decentralization on the state level work without significant abuses of the public trust? These are issues that policymakers must study in detail as the first wave of Charter Schools rolls over the nation.

A National Trend

In addition to California and Minnesota, at least 15 states from coast to coast have already introduced, debated, or passed charter legislation, including Alaska, Arizona, Connecticut, Florida, Massachusetts, New Jersey, North Carolina, Oregon, Pennsylvania, Tennessee, Washington, and Wisconsin. In 1993, Colorado, Georgia, and New Mexico adopted Charter School laws. In late May, the Massachusetts legislature was very seriously considering the idea. In the NCREL region, the governors of Michigan and Wisconsin have strongly urged action on the charter experiment.

Other north central states such as Indiana, Iowa, and Ohio, are devising or have enacted new routes that allow current schools to receive waivers from state laws and regulations when they redefine their missions and educational methods to reinvent their schools. Ohio is implementing both interdistrict and intradistrict open enrollment, and grants waivers for innovative programs. In Iowa, the school district must define performance outcomes and a way to measure the expectations in order to receive a waiver.

"Charter Schools drain state resources and attempt to duplicate the efforts that are currently under way in many existing districts." Robert E. Astrup

St. Paul City Academy is the nation's first state authorized Charter School, but it certainly won't be the last. So much interest is being shown in Charter Schools across the nation that they clearly have become an instrument of public education policy.

But the real debate has just begun over how best to use Charter Schools as a strategy for public school change, how to stimulate the most innovation, how to protect charter students and teachers, and what charters teach all schools about redefining their missions of teaching and learning.

Les Martisko, executive director for the South Central Educational Cooperative Service Unit (SC/ECSU) in North Mankato, Minnesota, agrees with others who feel that the greatest benefit from Charter Schools is the pressure placed on the rest of the system. Whether Charter Schools themselves will meet their expectations is questionable. "It's like the mosquito biting the elephant. It keeps the elephant moving but is doesn't change the elephant. And the mosquito dies after a few bites."

In the end, Charter Schools may be able to inspire ambitious teachers, educators, and reformers who are looking for models of innovation to give students valuable and exciting educational experiences. One thing is certain, Charter Schools offer policymakers what could turn out to be a dynamic tool for public education experimentation and change.

What are Charter Schools? A Definition

What exactly are Charter Schools? The strict definition is rather straightforward. State-legislated Charter Schools are legally independent, innovative, outcome-based, public schools. Common characteristics include:

■ **Legislatively authorized**
Independent Charter Schools require state legislation to authorize their existence. The legislation outlines general specifications and requirements for establishing a Charter School in a state, and regulates the number of Charter Schools permitted statewide. The process may be used to create a new school or to empower an existing school.

■ **Teacher initiated**
Teachers or organizers follow state guidelines when they submit their plans for a Charter School to a local board of education or other sponsor. The sponsor grants or denies a "charter" to operate. These agreements may or may not require the final approval of the state board of education.

■ **Independent school districts**
In some states, once these schools receive their charters they organize as a discrete legal entity—often but not always a non-profit corporation—and operate almost as an autonomous school district. Some advocates say that this aspect of Charter Schools is a key to differentiating a Charter School from an existing district's alternative school.

■ **Public schools**
Charter Schools are public schools. They are mandated to teach all students, not just gifted or well-financed students. They may not charge tuition. Admission cannot be limited by any intellectual or athletic characteristic. They are bound by all civil rights provisions. And when demand for admission exceeds the number of slots, students are chosen randomly by lot. They may not have a religious affiliation.

■ **Not magnets**
Charter Schools are not magnet schools. Students don't have to show special skills or pass tests for admission as is the case in some magnets. However, Charter Schools may target certain enduring learning problems, developmental needs, or educational possibilities. They have specific organizing themes and educational philosophies that guide their work. So, like magnet schools, students may be attracted by the educational idea and vision that guides the learning experience offered by a Charter School.

■ **Outcome-based**
The original charter, which is negotiated and signed between a Charter School's founding teachers and supporters and the sponsor, sets forth detailed conditions and expectations for an outcome-based school. Outcome-based means that students must demonstrate what they have learned and know before they move forward in their diverse studies. The goal is to prove active student competence and knowledge in diverse subjects rather than merely record attendance and effort at learning.

■ **Models for change**
From the legislative point of view, innovation is a key component of the Charter School strategy. In Minnesota, for example, the legislative intent is that charters be signed only for innovative school plans or for schools that more effectively reach out to educate students who have been underserved in the past. Thus, Charter Schools are intended to be labs of educational experimentation in these areas aimed at developing new teaching and learning strategies and approaches that can be utilized in other traditional public schools.

■ **Waivers**
In exchange for their innovative and carefully outlined outcome-based plans and community support, Charter Schools receive waivers from state laws and from many state and local administrative rules that can hamper innovation, such as rules mandating the amount of time that a class must spend on a particular subject or how the subject is taught. Since Charter Schools are treated as independent entities, they are not required to report on a daily basis to the local school board that grants them the charter. Charter Schools do not receive waivers from safety, health, dismissal, or civil rights regulations, nor do they escape state testing and report card mechanisms that can keep track of their real progress. However, charters set their own conditions for teacher work rules and salaries.

■ **Revenue**
The basic idea is for students to bring the average funds per pupil with them from their previous district for Charter School to use. Thus, when students move from traditional public schools to charter public schools, money follows. The old school districts lose

those dollars to the Charter Schools. To retain that money, legislative advocates say, the traditional public schools will have to improve their educational programs so that they are more attractive to students and their families. Conversely, when students who have dropped out or have gone off to private schools come back into a Charter School, as in the case of City Academy, their old district is unaffected. Then the Charter School brings additional dollars into the local education arena. The 1993 Minnesota legislation prohibits raising funds for start-up costs through grants or contributions.

- **Limited term**

Charter Schools are performance-oriented. Renewable charters usually are granted by the local school board for a period of three to five years, depending upon state legislation. Charter Schools must produce student improvement and performance or perish.

Local Charter Schools-Within-Schools

It is worth noting that another version called Charter Schools is not directly related to the legislatively authorized Charter Schools described in this brief. These are local charter schools-within-schools. At local levels throughout the country, education reformers have launched schools-within-schools that predate the legislatively authorized independent Charter Schools.

For example, since 1989, charter schools-within-schools fever has swept through the old high schools of Philadelphia. In just four years, 95 charter schools-within-schools have been opened in the city's 22 comprehensive high schools.

"We were here first," notes Michelle Fine, a professor at City University of New York's Graduate Center. She served as the designing consultant for the Philadelphia Collaborative, which assists in charter formation. "We were using the language of Charter Schools before state legislation was passed in Minnesota or California."

Joe Nathan, Senior Fellow and Director of the Center for School Change at the University of Minnesota and an expert on choice, makes a distinction: Choice is central to the concept of Charter Schools in California, Minnesota, and other states where they are authorized by the legislature. However, this concept represents a big difference from Philadelphia's charter schools-within-schools. "Many of Philadelphia's schools-within-schools are not options. Students are assigned to them," says Nathan.

At local levels throughout the country, education reformers have launched schools-within-schools that predate the legislatively authorized independent Charter Schools.

AFT-Inspired

The Philadelphia charter movement began with a reform mandate from Superintendent Constance Clayton. Fine borrowed the Charter School terminology from American Federation of Teachers President Albert Shanker, who used the term in a 1988 National Press Club speech calling for a new kind of public school in which teachers make curriculum decisions, team-teach, and have a greater role in school management.

Shanker urged a move to "charter schools" that would concentrate on professional development, cooperative learning, and teacher-as-coach, and that would exhibit a strong commitment to producing improved student outcomes.

Philadelphia charter schools-within-schools break the large, comprehensive urban high schools into manageable learning families of 200 to 400 students. Students work with the same 8 to 12 teachers over a four-year period. According to the Philadelphia Public Schools Student Information office, as of July 1993 approximately 65 percent of all high school students and 1,500 teachers are learning and teaching in these charter schools-within-schools.

Charter Themes

Some of the Philadelphia charter schools-within-schools are connected to the Coalition of Essential Schools, which tries to simplify the number of course offerings, but teaches the courses in greater depth. Some schools work with corporations and businesses to

study themes such as international relations and tourism. Some are linked to local universities. Some focus on the school's relationship with its community, and students conduct community surveys, ethnic analysis, and multicultural studies. Others focus on marketing, horticulture, writing, arts, or science.

"Many of Philadelphia's schools-within-schools are not options. Students are assigned to them." Joe Nathan

Teachers work with regular and special education students and multiple academic levels together. The teacher team has common preparation time—unusual in most schools. All of the charter schools-within-schools use interdisciplinary teaching and learning strategies.

"Most of the Charter Schools get their teachers involved in professional development around outcome-based assessment," says Fine. "They decide exactly what they want their graduates to know and then work in those areas. Charter teachers are experimenting with much more collaborative work and performance-based assessment than before the charters arrived."

Similarities and Differences

The Philadelphia charter schools-within-schools are created and planned by teachers, but the Minnesota Charter Schools are no longer so restricted as to their sponsors. Both strive for innovation and a student-centered learning experience.

However, Philadelphia charter schools-within-schools are not independent legal entities. Teachers do not sign a formal agreement based on their plans, nor are the Philadelphia charter schools-within-schools limited by time or held more accountable for student outcomes than other public schools. Philadelphia's charter schools-within-schools also are not bound by a renewable performance-based contract, so there is no mechanism for revoking the charter when it is not living up to anticipated results.

In Philadelphia, local charter schools-within-schools remain part of the central system and must contend with central administrative regulations, work rules, and power struggles. "The bureaucracy is the big problem in all these large cities," observes Fine.

The Philadelphia charter schools-within-schools know from the data they have assembled that their approach is starting to work. More students come to class and more students pass their subjects in the charter environment than before. A district study showed that the 20,898 students in the smaller charter units attended class more frequently and gained better grades than their 18,905 fellow students attending traditional comprehensive high schools. Charter students had a daily attendance rate of 79.3 percent versus the 73.5 percent for other comprehensive high school students. Approximately 71 percent of the charter students passed their English classes, compared to approximately 62 percent of noncharter comprehensive high school students. In mathematics, 65 percent of charter students gained passing grades, versus 60 percent of noncharter comprehensive high school students. Both kinds of charter schools clearly offer important lessons for school reformers and policymakers.

This *Policy Briefs* was written by R. Craig Sautter, who teaches courses in philosophy, politics, literature, and creative writing in the School for New Learning at DePaul University in Chicago. He co-wrote "An Agenda for the Reform of the Chicago Public Schools," the final report of Mayor Harold Washington's Education Summit. He also collaborated with Edward Fiske and Sally Reed on *Smart School, Smart Kids,* Simon and Schuster, 1991.

A Governor Speaks on Charter Schools

Tommy G. Thompson, Governor, State of Wisconsin

Excerpted from the January 21, 1993, address to the Wisconsin Association of School Boards (WASB), Wisconsin Association of School District Administrators (WASDA), and the Wisconsin Association of School Board Officials (WASBO) State Education Convention

In 1993, Wisconsin officially joined the growing list of states debating Charter Schools as a way to promote greater innovation in public education. Governor Thompson introduced provisions for charters as part of his 1993-1994 state budget recommendations. Here are some of his thoughts on Charter Schools.

"I want to give school districts and teachers flexibility in designing innovative schools," the Governor said. "My budget includes a Charter Schools initiative to allow school districts to design innovative educational programs.

"Under the initiative, a school district could contract with a Charter School, or convert all its schools to Charter Schools. These new schools would be exempt from many state laws, with the exception of the school report card and state wide assessments. Existing private schools will be prohibited from becoming Charter Schools.

"Currently, Minnesota and California are experimenting with Charter Schools, and at least nine other states have proposals pending. We don't want to be left behind.

"I envision Charter Schools to be what former education secretary Lamar Alexander described as 'breaking the mold schools.' Our schools really haven't changed all that much since the days that many of us went to school. Yet, the work force and the world have changed dramatically.

"School boards, administrators, and teachers too often find themselves stymied as they attempt to bring our schools into the 21st century. As a result, children are left behind. As leaders, we need the flexibility that Charter Schools offer . . . opportunities virtually free of mandates.

"Charter Schools say to parents, teachers, principals, administrators, and boards, 'We trust you. You know what's best for your children. Let's place real decisionmaking power into your hands.' This proposal will help schools be more innovative and therefore more responsive to student needs."

Wisconsin Legislation

Wisconsin just passed legislation on Charter Schools in July 1993, as the Governor had urged in his January 1993 address. This legislation authorizes a school board, on its own initiative or by a petition meeting certain conditions, to request approval from the state superintendent to establish up to two Charter Schools in the school district. A Charter School would be exempt from all laws governing public schools except the requirement for certified teachers and the requirement to participate in the state's pupil assessment program and to be included in the school district's annual school performance report. The Charter Schools are allowed to be established in no more than ten school districts. The students enrolled in a Charter School would be included in a school district's membership for state aid purposes.

Requirements

If a Charter School replaces a public school in whole or in part, the school must give preferences to any pupil residing within the attendance area of the former school. Charter Schools also must be nonsectarian in their programs, admissions policies, employment practices, and other operations. Charter Schools may not charge tuition, discriminate in admission, or deny participation in any program or activity on the basis of a person's sex, race, religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation or physical, mental, emotional, or learning disability.

Establishment of Charter Schools

A school board, upon its own initiative or upon receipt of a petition and with the state superintendent's approval, may contract with an individual or group to operate a Charter School. A school board may apply to the state superintendent to establish a Charter School upon the receipt of a petition signed by at least 10 percent of the teachers employed by the school district or by at least 50 percent of the teachers employed at one school. The school board must, upon the receipt of the state superintendent's approval and within 30 days of receiving the petition, hold a public hearing on the petition to consider the level of employee and parental support for the establishment of the Charter School. The school board may grant the petition after the public hearing. Subject to the two schools-per-district limitation, a school board may on its own initiative convert all of the schools in the district to charter schools if the board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school. A school board may grant a petition to convert all of the public schools in the district to Charter Schools if the petition is signed by at least 50 percent of the district's teachers and the board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a Charter School. This provision is also subject to the two schools-per-district limitation.

Charter Contract Provisions

School boards are required to give preference in awarding contracts for Charter Schools to those schools that serve children at risk. A school board is prohibited from contracting with a Charter School outside of its district or for the conversion of a private school into a Charter School. The contract also must:

- include all of the provisions specified in the petition
- specify the amount the school district will pay the Charter School each year
- not be for a term longer than five school years and may be renewed for one or more terms not exceeding five school years

A school board may revoke a contract with a Charter School if the board finds that the pupils enrolled failed to make sufficient progress toward achieving state goals or that the Charter School violated the contract, failed to comply with generally accepted accounting standards, or violated the law authorizing the establishment of Charter Schools.

Some of the other provisions of the charter law include the following:

- No pupil may be required to attend a Charter School without parental approval.
- Pupil expenditures for a Charter School may not exceed the average per pupil expenditures for the school district in which the Charter School is located.
- The state superintendent must approve the first 10 applications received and must act on them no later than July 1, 1994.
- The Charter School is an instrumentality of the district and must employ all Charter School personnel.
- If a school district fails to operate or demonstrate significant progress toward operating a Charter School within a year after approval, the state superintendent must withdraw approval.

Major Provisions of the Minnesota Law

- A school board may authorize up to five outcome-based schools.
- Up to 20 Charter Schools may be authorized statewide.
- The school must be located in the sponsoring district, unless the board agrees to allow another district to sponsor a school within its boundaries or unless the state board is sponsoring the school.
- Organizers may appeal to the State Board of Education from a negative decision by a local board if at least two members of the local board have voted in favor.
- Charters last for three years, but can be renewed.
- Outcome-based schools are public and cannot charge tuition.

- Outcome-based schools are exempt from all state rules applicable to a school board or district.
- Outcome-based schools must meet all applicable health and safety requirements.
- Outcome-based schools must focus on comprehensive instruction for at least one grade or age, but can be limited to one grade or age group.
- Schools must be nonsectarian in program and admission policies. They cannot hold admissions tests. (Some do develop performance contracts.) They cannot be associated with a nonpublic sectarian school or religious institution.
- Teachers must hold valid state teacher licenses.
- If 90% of the teachers say "yes," an existing public school can be converted to a Charter School.
- The school is subject to financial audit, the pupil fair dismissal law, and fee law.

Starting a Charter School

- Charter Schools need state authority.
- School boards may authorize one or more licensed teachers to form and operate outcome-based schools, subject to approval by the state board of education.
- The Charter School will organize as a cooperative or nonprofit corporation.
- Charter teachers elect a board of directors and must hold a majority of the positions on the board. Parents may participate in the election and serve as board members.
- Charter Schools must comply with state fair dismissal provisions.
- The Charter School may lease space from a school board or from other public or private nonprofit, nonsectarian organizations or in the general commercial market if the state approves the lease.
- A teacher employed by the school district may take an extended leave of absence to work in an outcome-based school without loss of seniority and other associated benefits, including participation in the retirement plan.

Three-year contract provisions between the charter board and board of education include:

- description of the educational program
- specific outcomes students are expected to achieve
- admission policies and procedures
- management and administration of the school
- procedures for financial audit
- assumption of liability and types of insurance coverage

Admissions:

- Charter Schools may restrict admissions to:
  - an age or grade level
  - students "not doing well" in regular school
  - residents of specific geographic areas, "if the percentage of the population of non-Caucasian people in the geographic area is greater than the percentage of non-Caucasian population in the Congressional district in which the geographic area is located, as long as the school reflects the racial and ethnic diversity of that area."
- Students are drawn by lot if the number of student applications exceeds capacity.
- The school may *not* limit admission on the basis of "intellectual ability, measures of achievement or aptitude, or athletic ability."

The charter of an outcome-based school can be terminated or not renewed for:

- failure to meet the requirements of pupil performance articulated in the contract
- failure to meet generally accepted standards of fiscal management
- violations of law
- other good causes shown

Immunity:

- The state board of education, members of the state board, a sponsor, and members of the board of a sponsor are immune from civil and criminal liability with respect to outcome-based schools.

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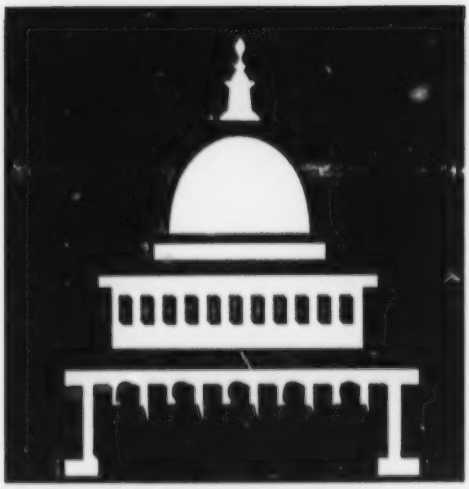

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This publication is based on work sponsored wholly or in part by the Office of Educational Research and Improvement (OERI), Department of Education, under contract number RP91002007. The content of this publication does not necessarily reflect the views of OERI, the Department of Education, or any other agency in the U.S. Government.

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